

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 533 (Senator Ruben. *et al.*)

Budget and Taxation

State Retirement and Pension System - Board of Trustees - Term of Appointed or Elected Trustees

This bill increases from four to six years the term of appointed or elected trustees of the Board of Trustees of the Maryland State Retirement and Pension System (MSRPS).

Fiscal Summary

State Effect: Minimal reduction in administrative expenses for the State Retirement Agency (special funds) resulting from fewer Board of Trustees elections.

Local Effect: None.

Small Business Effect: None.

Fiscal Analysis

State Expenditures: Of the 14 trustees, six are elected by system members and three are appointed by the Governor (the remainder are ex officio). The retirement agency incurs costs of approximately \$40,000 for elections of employees' and teachers' systems representatives, and about \$10,000 for State Police representatives. Currently, over a 12- year span, the board would conduct 18 elections at a total cost of \$540,000, or \$45,000 per year on average. Under the proposal, over the same 12-year period there would be 12 elections, for a total of \$360,000, or \$30,000 per year. Thus, on average, the agency would save approximately \$15,000 per year.

Information Source(s): State Retirement Agency; Department of Legislative Services

Fiscal Note History:

First Reader - February 13, 1998

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